

CALIFORNIA MEDICAL ASSISTANCE COMMISSION

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION****State Capitol, Room 113****Sacramento, CA****Minutes of Meeting****March 11, 2004****COMMISSIONERS PRESENT**

Nancy E. McFadden, Chair
Thomas Calderon
Diane M. Griffiths
Teresa P. Hughes
Vicki Marti
Lynn Schenk
Michael R. Yamaki

CMAC STAFF PRESENT

J. Keith Berger, Executive Director
Myrna Allen, R.N.
Enid Barnes
Theresa Bueno
Denise DeTrano
Holland Golec
Vanessa Guerrero
Mervin Tamai
Karen Thalhammer
Donald Wooten, Ph.D.

EX-OFFICIO MEMBERS PRESENT

Chantele Denny, Department of Finance
Benjamin Thomas, Department of Health Services

I. Call to Order

The open session meeting of the California Medical Assistance Commission (CMAC) on March 11, 2004 was called to order at 10:00 a.m. by Chair Nancy E. McFadden. A quorum was present.

II. Approval of Minutes

The February 05, 2004 meeting minutes were approved as prepared by CMAC staff.

III. Executive Director's Report

The Executive Director, Keith Berger, reported that there were no new requests at this time by hospitals or health plans to appear before the Commission in closed session.

Mr. Berger reported that negotiations for both SB 1255, Round 16B and Medical Education Supplement Payment programs have begun. Both programs must operate within a number of different cap limits, and CMAC staff is working through some of those caps issues that may cause the SB 1255 Commission meeting dates to be pushed back.

The Executive Director informed the Commissioners that a draft of the upcoming Commission meeting dates for State Fiscal Year 2004-05 has been provided for their review. The Commission's SFY 04-05 meeting dates will be noticed for action at the March 25, 2004 Commission meeting.

Mr. Berger stated that in January 2004 the California Children's Hospital Association (CCHA) gave a presentation before the Commission. Commissioner Calderon requested CCHA to report back to the Commission on how the children's hospitals were working together to achieve economies of scale. CCHA has compiled a report and will return to the Commission on March 25, 2004 to present its findings.

Keith Berger updated the Commission with the results of CMAC's public notice mailing list verification. Now that CMAC's public notices are available on its website, out of the 300 people that were on the mailing list, only 28 people responded that they wish to remain on the mailing list, and 46 requested to be added to the e-mail distribution list. This reduction in mailings is a significant savings for CMAC on postage, paper, envelopes, and manpower.

In concluding his report, Mr. Berger reported on the status of the legal dispute regarding the closure of Rancho Los Amigos in Los Angeles County. The 9th US Circuit Court of Appeals upheld the lower court's decision to grant the preliminary injunction to bar the closure of the Rancho Los Amigos Hospital. The next step will be a trial set for November 2004. Mr. Berger stated that he would keep the Commission informed as events of the trial come up.

IV. Medi-Cal Managed Care Activities

Keith Berger announced that the Medi-Cal Redesign Effort starts its kick off conference call today, March 11, 2004, at 4:00 pm for the five Redesign work groups. Work group meetings are scheduled every couple of weeks between now and the end of April. One of the working groups will be specifically dedicated to Medi-Cal Managed Care. The Medi-Cal Redesign website is at www.medi-calredesign.org and the phone number is 877-407-8037.

Mr. Berger informed the Commission that at the previous meeting he stated that CMAC staff would have between 10-15 Managed Care amendments before the Commission for action

during the month of March. However due to the Medi-Cal Redesign at DHS and the reduced staffing, CMAC is still waiting for rate related information from DHS.

Marcine Crane, DHS Chief of Managed Care GMC, COHS and Other Projects Section, updated the Commission on some upcoming negotiations and meetings. On March 19, 2004, DHS will have a joint meeting with the California Association of Health Insuring Organization (CAHIO). Other attendees will be the Department of Finance and CMAC. These meetings will be conducted on a monthly basis to discuss opportunities in assisting County Organized Health Systems (COHS) to continue their financial viability during tight budgetary times.

Mr. Crane concluded his report with an update on the quality assessment fee language in the trailer bill, which is being revised to be consistent with the Michigan plan. The Michigan plan would allow California to have a quality assessment fee across the board for all Medi-Cal managed care contractors--by all revenue sources not just the government sources. Depending on how it's implemented, there may be some associated concerns with contractors that have multiple lines of business.

V. Nurse Staffing Ratio Presentation

Brenda Klutz, Deputy Director, Licensing and Certification, State Department of Health Services reported that California is the first state in the nation to have minimum licensed nurse-to-patient ratios, in all acute units in General Acute Care Hospitals (GACH). However, the concept of minimum ratios is not new in California. For over 30 years, California has had the nurse-to-patient ratio for Intensive Care Unit (ICU), Critical Care Unit (CCU), Well Baby Nursery and the Operating Room (OR).

In 1999, AB 394 (Kuehl), then Assemblymember Sheila Kuehl, required DHS to propagate minimum specific numerical licensed nurse-to-patient ratios by licensed nurse classification and by hospital unit. The original legislation required ratios to be in place by 2001. However, follow-up legislation extended the due date of the regulations to 2002.

Ms. Klutz remarked that there were major components that contributed to the development of the regulations because no hard scientific data exists that indicates the number of patients a nurse can safely and effectively handle while providing patient care. Therefore, 2,800 articles were reviewed for staffing standards, and data was collected by the Office of Statewide Health Planning and Development (OSHPD). In addition, DHS, along with the University of California, Davis (UCD) selected 90 hospitals in which to conduct an onsite unannounced survey of nurse staffing for those GACH units currently without staffing ratios. When the data entry was completed, it included 1,700 variables and over 34,000 pages of data. DHS adopted the final regulations on August 26, 2003, and they became operational on January 1, 2004.

Ms. Klutz reported that DHS has an obligation to monitor the implementation of these regulations and respond to questions about the regulations asked by hospitals, nurses,

government officials, and the general public. Therefore, DHS has a website for “Frequently Asked Questions.” DHS will continue to add questions and responses to its website on an ongoing basis. DHS has also posted the original research, the regulations, and the final statement of reasons.

In concluding her presentation, Brenda Klutz indicated that DHS will be meeting with stakeholders and will be visiting hospitals to hear firsthand the effects of the regulations from the hospital management and from the direct care staff.

Chair Nancy McFadden invited the public to ask questions or add public comments to Ms Klutz presentation at this time.

Dorel Harms, California Health Care Association (CHA) indicated that the hospital association is doing a weekly survey. Ms. Harms reported that between 12 and 14 percent of the hospitals are actually meeting the ratios. Ms. Harms based the reason for this is the at-all-times requirement and this requirement has placed more of a burden on the hospital than it was first thought. When the UCD study was done, the “at-all-times” provision had not been added to the regulations. Dorel Harms indicated that the CHA is also concern that there will eventually be fines on hospitals that are not able to meet the required ratios.

Donne Brownsey, representative of the California Nurses Association (CNA) of Government Solutions, commended DHS, Brenda Klutz, and staff, on an extraordinary job done under very difficult circumstances. Ms. Brownsey then added, the one thing that the nurses association and the hospital association agree on is that we need to do a better job in terms of getting better resources for nurses education. We have to collaborate on that issue because California does not graduate enough nurses and the issue is money. According to the Board of Registered Nurses, today Californian has 32,000 more nurses then in 1997. This is six times more than what DHS estimated would be necessary in order to meet the ratios.

Harry Osborne, Vice President & Chief Legislative Advocate of Alliance of Catholic Health Care, raised the question of the possibility of funding assistance for hospitals. Chair McFadden, responded to Mr. Osborne’s concern by saying CMAC looks at various issues when determining funding levels, and since the nurse staffing ratios went into effect just a few months ago, CMAC is at the beginning of that entire process.

VI. New Business/Public Comments/Adjournment

There being no further new business and no additional comments from the public, Chair Nancy McFadden recessed the open session at 11:10 a.m. Chair McFadden opened the closed session at 11:15 a.m. Chair McFadden adjourned the closed session at 11:35 a.m. The Commission reconvened in open session. Chair McFadden announced that the Commission had taken action on managed care contract amendments in closed session. There being no further business, Chair McFadden adjourned the open session at 11:35 a.m.